

National Credit Union Administration



Operating Fund

***Financial Highlights
June 30, 2013***

Mary Ann Woodson

**Mary Ann Woodson
Chief Financial Officer**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

FINANCIAL HIGHLIGHTS AS OF JUNE 30, 2013

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$85.5 million. Its balance decreased \$4.5 million in the month primarily for the payment of operating expenses. The cash position is considered to be sufficient to cover current and future obligations of the Fund.

Statements of Revenues, Expenses, and Changes in Fund Balance

Net income for the month was \$311,000 and net income year to date was \$3,086,000. Interest income on overnight investments has averaged 0.04% year-to-date, versus 0.06% during the same period last year.

Statements of Cash Flow

The cash position decreased \$4.5 million since last month. Operating activities generated the major portion of the net change in cash. Also, \$322,000 was invested in new capital assets and \$111,000 in cash was used to reduce or repay the NCUSIF note payable long-term liability, which has a balance of \$13.7 million on the balance sheet.

Budget (Year-to-Date)

Agency spending was under the year-to-date budget by \$13.4 million or 10.8 percent, compared to being under the year-to-date budget by approximately \$10.0 million or 8.4 percent during the same period last year. Of the total variance, employee pay and benefits was under budget by \$7.0 million or 7.7%, travel was under budget by \$2.6 million or 18.5%, and the remaining expense categories combined were under budget by \$3.9 million or 19.3%.

The average annualized travel spend per FTE was \$18,966 this year, which is \$2,013 less than last year.

Vacancies

The Agency had 37 vacancies as of this month -- down 13 from the prior month. Of the 37 vacancies, 20 were in the central office and 17 were in the regions and AMAC. The 37 vacancies represent 2.9% percent of total authorized staff of 1,261.50.

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

BALANCE SHEETS

AS OF JUNE 30, 2013 AND JUNE 30, 2012

(Dollars in thousands)

	6/30/2013	5/31/2013	6/30/2012
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 85,548	\$ 90,030	\$ 79,817
DUE FROM NATIONAL CREDIT UNION SHARE INSURANCE FUND	14	660	-
EMPLOYEE ADVANCES	28	87	43
OTHER ACCOUNTS RECEIVABLE , Net	190	258	448
PREPAID EXPENSES AND OTHER ASSETS	1,573	1,753	1,244
ASSETS HELD FOR SALE	72	95	668
FIXED ASSETS — Net of accumulated depreciation of \$28,547 as of June 30, 2013	30,600	30,763	31,435
INTANGIBLE ASSETS — Net of accumulated amortization of \$12,044 as of June 30, 2013	<u>4,531</u>	<u>4,494</u>	<u>6,406</u>
TOTAL	<u>\$ 122,556</u>	<u>\$ 128,140</u>	<u>\$ 120,061</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable	\$ 49,588	\$ 55,424	\$ 47,658
Obligations under capital leases	78	78	58
Accrued wages and benefits	8,627	8,575	8,504
Accrued annual leave	13,832	13,832	12,699
Accrued employee travel	-	-	-
Note payable to National Credit Union Share Insurance Fund	<u>13,745</u>	<u>13,856</u>	<u>15,086</u>
Total Liabilities	85,870	91,765	84,005
COMMITMENTS AND CONTINGENCIES			
FUND BALANCE	<u>36,686</u>	<u>36,375</u>	<u>36,056</u>
TOTAL	<u>\$ 122,556</u>	<u>\$ 128,140</u>	<u>\$ 120,061</u>

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE
FOR THE PERIODS ENDED JUNE 30, 2013 AND JUNE 30, 2012
(Dollars in thousands)**

	YEAR-TO-DATE		MONTH	
	2013	2012	2013	2012
REVENUES:				
Operating fees	\$ 46,556	\$ 44,468	\$ 7,527	\$ 7,407
Interest	13	18	2	4
Other	<u>703</u>	<u>754</u>	<u>104</u>	<u>153</u>
Total Revenues	47,272	45,240	7,633	7,564
EXPENSES, NET:				
Employee wages and benefits, net	33,199	32,148	5,410	5,126
Travel	4,426	4,880	740	983
Rent, communications, and utilities	881	1,048	162	193
Contracted services	3,371	2,626	516	442
Depreciation and amortization	2,618	2,837	448	475
Administrative	<u>(309)</u>	<u>(234)</u>	<u>46</u>	<u>50</u>
Total Expenses	<u>44,186</u>	<u>43,305</u>	<u>7,322</u>	<u>7,269</u>
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	3,086	1,935	311	295
FUND BALANCE—Beginning of period	<u>33,600</u>	<u>34,121</u>	<u>36,375</u>	<u>35,761</u>
FUND BALANCE—End of period	<u>\$ 36,686</u>	<u>\$ 36,056</u>	<u>\$ 36,686</u>	<u>\$ 36,056</u>

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED JUNE 30, 2013 AND JUNE 30, 2012 (Dollars in thousands)

	YEAR-TO-DATE		MONTH	
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenues over expenses	\$ 3,086	\$ 1,935	\$ 311	\$ 295
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
Depreciation and amortization	2,618	2,837	448	475
Provision for loss on disposal of employee residences held for sale	27	39	23	-
(Gain) loss on fixed asset retirements	-	(3)	-	-
(Increase) decrease in assets:				
Due from National Credit Union Share Insurance Fund	2,026	1,182	646	-
Employee advances	(3)	-	59	6
Other accounts receivable	21	437	68	355
Prepaid expenses and other assets	(518)	(229)	180	174
(Decrease) increase in liabilities:				
Accounts payable	44,984	40,584	(5,836)	(7,011)
Accrued wages and benefits	(1,551)	(791)	52	634
Accrued annual leave	-	-	-	-
Accrued employee travel	(695)	(628)	-	-
Net cash provided or (used) by operating activities	<u>49,995</u>	<u>45,363</u>	<u>(4,049)</u>	<u>(5,072)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of fixed and intangible assets	(1,053)	(1,573)	(322)	(209)
Proceeds from insurance on fixed assets	-	25	-	-
Purchases of employee residences held for sale	-	(820)	-	-
Proceeds from sale of employee residences held for sale	755	510	-	-
Net cash used by investing activities	<u>(298)</u>	<u>(1,858)</u>	<u>(322)</u>	<u>(209)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayments of note payable to National Credit Union Share Insurance Fund	(670)	(670)	(111)	(111)
Principal payments under capital lease obligations	-	-	-	-
Net cash used by financing activities	<u>(670)</u>	<u>(670)</u>	<u>(111)</u>	<u>(111)</u>
NET INCREASE OR (DECREASE) IN CASH AND CASH EQUIVALENTS	49,027	42,835	(4,482)	(5,392)
CASH AND CASH EQUIVALENTS—Beginning of period	<u>36,521</u>	<u>36,982</u>	<u>90,030</u>	<u>85,209</u>
CASH AND CASH EQUIVALENTS—End of period	<u>\$ 85,548</u>	<u>\$ 79,817</u>	<u>\$ 85,548</u>	<u>\$ 79,817</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES				
Acquisition of equipment under capital lease	\$ -	\$ -	\$ -	\$ -
Cash Payments for Interest	<u>\$ 128</u>	<u>\$ 151</u>	<u>\$ 21</u>	<u>\$ 24</u>

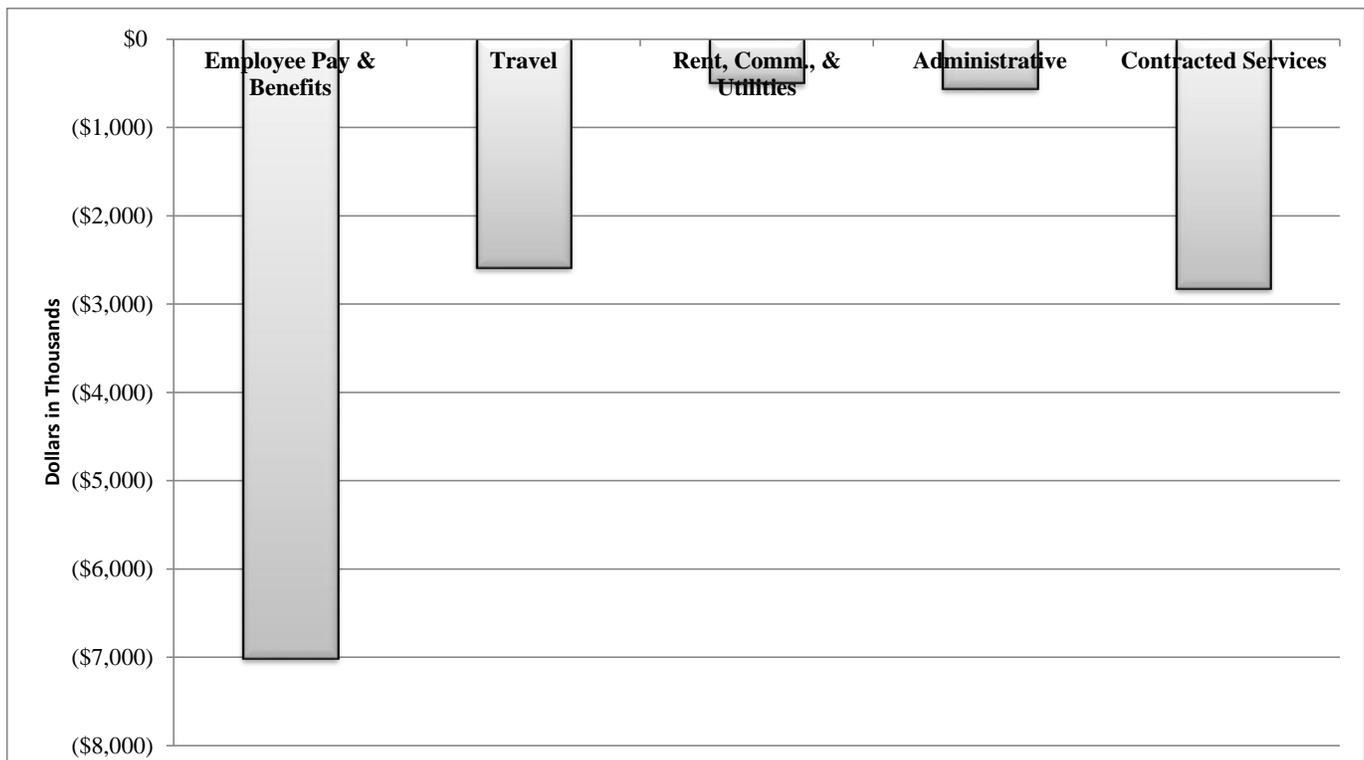
**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

**YEAR-TO-DATE BUDGET REPORT ANALYSIS (BEFORE OVERHEAD TRANSFER RATE)
AS OF JUNE 30, 2013 AND JUNE 30, 2012**

(Dollars in thousands)

	2013				2012			
	BUDGET	ACTUAL	DIFF	%	BUDGET	ACTUAL	DIFF	%
Employee Pay & Benefits	90,748	83,745	(7,003)	-7.7%	85,080	80,625	(4,456)	-5.2%
Travel	13,932	11,353	(2,579)	-18.5%	13,533	12,342	(1,191)	-8.8%
Rent, Comm., & Utilities	2,645	2,155	(490)	-18.5%	2,739	2,577	(162)	-5.9%
Administrative	6,206	5,654	(553)	-8.9%	6,730	6,401	(328)	-4.9%
Contracted Services	11,108	8,292	(2,816)	-25.4%	10,273	6,459	(3,814)	-37.1%
TOTAL	124,638	111,198	(13,440)	-10.8%	118,355	108,404	(9,951)	-8.4%

Amount Over (Under) Budget

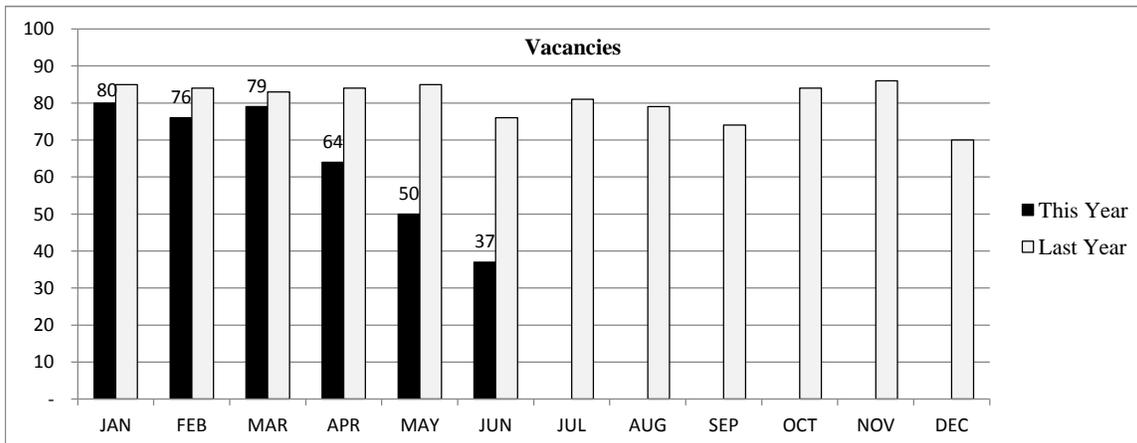
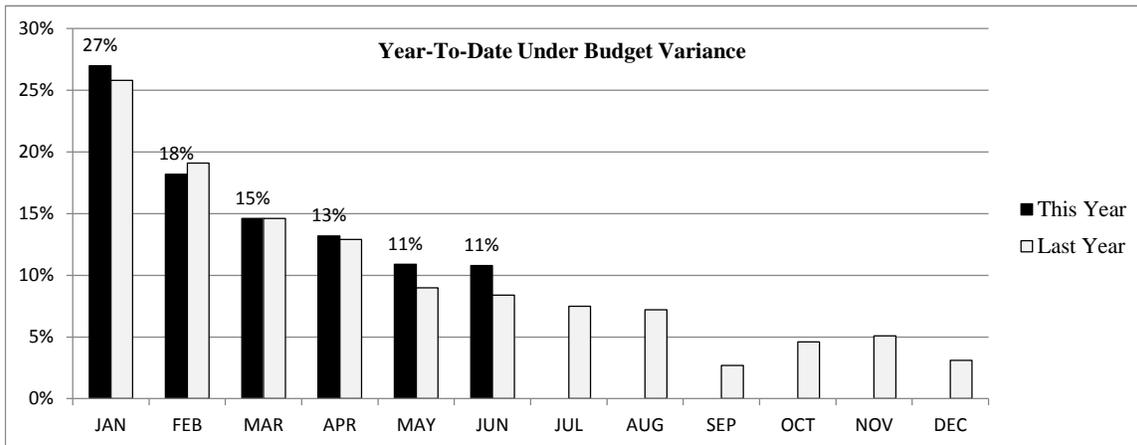
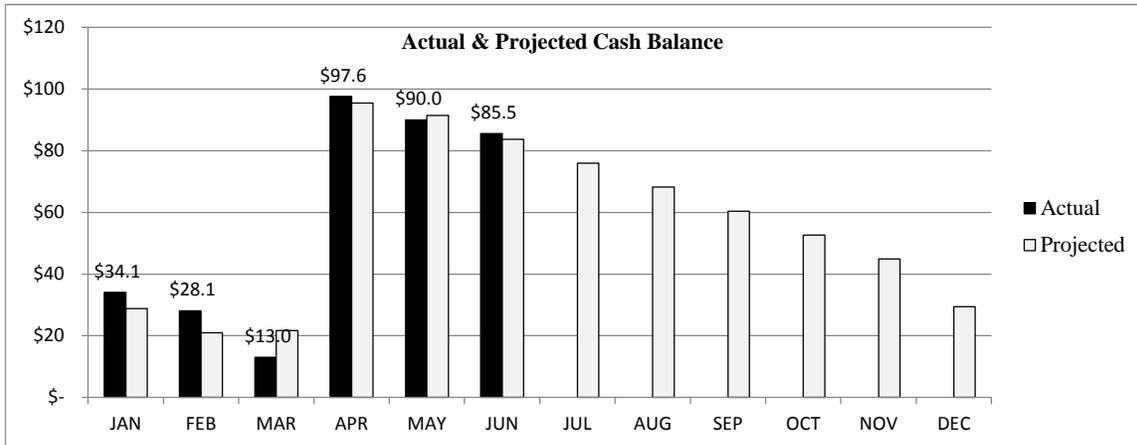


Budget amounts reflect the Board-approved base budget.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

GRAPHS AND RATIOS

AS OF JUNE 30, 2013 AND JUNE 30, 2012



	6/30/2013	6/30/2012
Retained earnings / Total assets	29.93%	30.03%
YTD interest income to average investments (annualized)	0.04%	0.06%
Annualized travel spend per employee	\$18,966	\$20,979
Net year to date cash inflow (outflow) in millions of dollars	\$49	\$43
Cash and overnight investments / Total assets	69.80%	66.48%
Overhead transfer rate	59.10%	59.30%